

# State of Iowa Medication Therapy Management Program

## Vendor Questions and Answers

1. The RFP references “estimated cost avoidance.” As a program, we have avoided the use of fictitious savings because it is impossible to prove. Additionally, estimating “cost avoidance” with each intervention results in an over-estimation of the impact of the program. Would the State consider looking at the actual program savings vs. an estimated return?

**Yes, the State would prefer actual program savings as opposed to estimated cost avoidance; however the State is willing to accept both as a form of savings measurement.**

2. The RFP asks for guarantees related to program savings. Using an estimated approach, the guarantee is non-risk proposition. However, our center is a State of Arizona program and the State will not sign guarantee contracts. Would the State of Iowa consider an alternative payment arrangement? For example, could an amount be established for specific interventions and then only be billed for successful interventions.

**We would be willing to consider all possible payment arrangements. However, there are certain State requirements regarding performance guarantees and there are further requirements regarding the enabling legislation for this program which may put your proposal in conflict with what we can allow.**

3. With reference to the guarantee for drug cost reduction. How does the State of Iowa calculate drug product costs? Does the State base that on the ingredient cost, copay, and dispensing fees from the claims data? Or does the State use the actual costs including rebates and adjusting for reduction in ingredient costs throughout the program year?

**We plan to base cost reduction on “Total Covered Charge” which is the sum of member out of pocket expenses and what the plan pays towards the purchase of medications.**

4. The RFP states that the Vendor is prohibited from using Vendor employees to provide the medication therapy management services. Our program is an integrated program. Our pharmacists are highly credentialed and experts in delivering MTM services. Our pharmacists are licensed and our facility is licensed as a pharmacy in the State of Iowa. The technology we used was developed to enable our pharmacists to deliver services. This integrated service allows for delivery of very cost-effective program. Are we excluded from this RFP because we employ our own MTM specialty pharmacists?

**This prohibition defined in the enabling legislation for the program. DAS has no authority to make exceptions. Vendors will not be able to utilize internal staff to provide the services we are seeking.**